



# NEWS RELEASE

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**For Immediate Release**  
**January 17, 2007**

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## **BLM Oil and Gas Lease Sale Nets over \$12.5 Million**

Santa Fe – A quarterly oil and gas lease sale administered by the Bureau of Land Management netted \$12,554,558 in revenues today from the sale of 100 federal leases in New Mexico, Texas, Kansas and Oklahoma. The total includes bonus bids, administrative fees and first-year rentals.

In New Mexico, bonus bids for 50 parcels brought in \$6.7 million; in Texas, bids for 24 parcels brought in \$1.6 million. In Oklahoma, bonus bids for 21 parcels brought in \$4.2 million, and in Kansas, bids for 5 parcels brought in \$2,200. The oral auction took place on January 17, 2007, at the BLM's State Office Building in Santa Fe; a total of 47 bidders registered for today's auction.

One hundred of the 110 parcels offered in today's sale received bids. The highest bid per acre for a parcel (\$3,000) and the highest overall total for a parcel was \$1,440,000 for 480 acres in Eddy County, New Mexico, by Daniel E. Gonzales of Santa Fe.

Leases are awarded for a period of 10 years and as long thereafter as there is production in paying quantities. The government receives 12.5 percent royalties on production from those leases. Half of the revenues from federal lease sales are returned to the U.S. Treasury and half go to the state where the mineral lease occurs; New Mexico will receive over \$3.3 million from today's sale. In Fiscal Year 2006, the State received over \$550 million from federal oil and gas leasing, rents and royalties.

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of federal oil and gas resources. The 1987 law requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis. BLM lease sales are competitive and conducted by oral bidding.

The Bureau of Land Management, an agency of the U.S. Department of the Interior, manages more land – over 258 million surface acres – than any other federal agency. Most of this land is in 12 Western states, including Alaska. The BLM also administers 700 million acres of federal subsurface mineral estate throughout the nation.

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[www.nm.blm.gov](http://www.nm.blm.gov)

Results of today's lease sale by state and total bonus bids are as follows:

NM	50 parcels sold	35,328 acres	\$ 6,711,708
TX	24 parcels sold	11,940 acres	\$ 1,561,501
OK	21 parcels sold	25,953 acres	\$ 4,155,745
KS	5 parcels sold	360 acres	\$ 2,200

<b>Total Acres Leased</b>	<b>73,581 acres</b>
<b>Total Bonus Bids</b>	<b>\$12,431,154</b>
<b>Total Revenues</b>	<b>\$12,554,558</b> [bonus bids, administrative fees and first-year rentals]

The BLM's next federal oil and gas lease sale is scheduled for Wednesday, April 18, 2007.

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